CHAPTER III—REVENUE AND FINANCE.

(i) Revenue and Finance.

252. The statement of the Receipts and Disbursements of the State for the year 1956-57, is appended in Appendix I of this report.

253. As a consequence of the Re-organisation of the States on 1st November 1956, the actuals for 1956-57 under all the heads of accounts (pre and post re-organisation period accounts taken together) are more than the actuals for 1955-56 and the two sets of figures are, therefore, not susceptible of comparison. Hence, the following points may however be mentioned:—

(i) The opening cash balance on 1st November 1956 was Rs. 3,74,45 thousands, including the cash in the Treasuries of the erstwhile States of Bombay, Hyderabad and Madras which merged with Mysore on that date as well as the share of the Mysore Government of the balances of those States in the Reserve Bank of India, on 31st October 1956 allocated among the successor States. In the case of the Treasuries concerned of the erstwhile State of Bombay, the actual cash taken over by the Mysore Government on 1st November 1956 was further re-allocated among the successor States on the population basis and only the share allocable to Mysore had been included in the opening balance on 1st November 1956. In the case of the cash balances pertaining to the erstwhile State of Madras and Hyderabad, further reallocation among the successor States is yet to be made.

(ii) The balance in the Contingency Fund of the erstwhile State of Mysore at the end of October 1956 was written off to Government Account. During the post re-organisation period, the Government of Mysore did not have a Contingency Fund.

(ii) Excise.

254. The Mysore Sugar Company Ltd., Bangalore, continued to be the manufacturing contractors for the supply of liquors during the year. Country Spirits:

255. Rates of liquors of 35° U. P. supplied by Messrs Mysore Sugar Company Ltd., to Government Depots from 1st April 1956 to the end of March 1957 were as follows :—

A. Molasses Arrack ... Re. 0–80 per gallon as in the previous year.

B. Special Liquors.

1. Rs. 2–50 (Naked) per gallon.
2. Rs. 5 Bottling charges in quart bottles per gallon.
3. Rs. 10 Bottling charges in pint bottles per gallon.

Packing charges.

4. Rs. 6 per case of eight gallons in quart bottles.
5. Rs. 6 per case of six gallons in pint bottles.

256. There were two Distilleries in the former Mysore State during the year, *viz.*, Mandya Distillery managed by Messrs .Mysore Sugar Company Ltd., and (2) Hospet Distillery managed by Messrs India Sugars and Refineries Ltd., Hospet. The Distilleries at Mandya and Hospet were being administered in accordance with the provisions of the Mysore Excise Act. Prescribed licence fee of Rs. 5,000 per annum was also levied, and recovered for renewal of the licenses held by the above Distilleries. The Distillery at Hospet continued to manufacture only commercial spirits, viz., rectified and denatured spirits during the year.

257. There were 18 arrack bonded depots during the year. Sanction was accorded to run private arrack depots in Bangalore City, Civil Area and Bangalore North and South Taluks during the year..

258. The limit of private possession of the several kinds of liquors continued to be the same as in the previous year as noted below :—

1.	Molasses Arrack ...	...	4½ drams
2.	Jaggery Arrack ...	...	4½ drams
3.	Special Liquors	...	1 gallon in the aggregate.

259. The consumption of arrack of 35° U. P. was 2,37,065 gallons (2,21,249) while that of special liquors supplied in bottles was 13,097 gallons (10,848). The supply of country spirits to shops was not controlled by quotas.

260. The incidence of consumption of country spirits per 100 of population was 5·42 (4·54) proof gallons computed in respect of the population of only the wet areas of the State.

Rectified Spirit Licenses.

261. The number of rectified spirit licenses issued during the year was 108 (111). Out of them, 18 related to Chemists and Druggists etc., and the remaining 90 pertain to Government and Charitable Institutions and other private firms.

262. The total quantity of rectified spirit including Absolute Alcohol manufactured during the year from the Distillery at Mandya was 6,54,475 gallons and 43 drams.

Spirituous, Medicinal and Toilet Preparations.

263. The normal rate of excise duty on spirit contents of medicinal preparations whether manufactured in the State or imported from outside places continued to be Rs. 5 per proof gallon. But in the case of spirituous medicinal preparations, the rate of excise duty was Rs. 17-50 per proof gallon. The rate of excise duty of Rs. 50 per proof gallon on spirit contents in flavouring and culinary essences was continued during the year.

Imports and Exports.

264. The import of spirituous medicinal preparations from outside places amounted to 6,471·827 proof gallons. The exports by the several pharmaceutical concerns in the State amounted to 56,283·040 proof gallons.

Denatured Spirit.

265. Two hundred and fifty-three (251) licenses were issued during the year for the possession, use etc., of denatured spirit in Government institutions, private hospitals and for manufacture of polishes by the licensees.

266. A total quantity of 76,424 gallons of denatured spirit was issued from the Distillery at Mandya. Out of this, 71,424 gallons were for local consumption and the rest of 5,000 gallons were exported outside the State.

267. A total quantity of 45,975 gallons and 20 drams of denatured spirit was exported outside the State from Hospet Distillery.

Indian Made Foreign Liquors.

268. There were three concerns who were permitted to manufacture Indian made foreign liquors, viz., (1) Messrs Amrut Distilleries, Bangalore, (2) Messrs. Khoday R.C.A. Industries, Bangalore and (3) Messrs Dasarath and Company, Mysore.

269. A quantity of 39,341·825 proof gallons of Indian made foreign liquors was manufactured in the State, of which 4,450·622 proof gallons were issued for consumption

REVENUE AND FINANCE

in the State and 19,909·005 proof gallons were exported to places outside the State.

270. A sum of Rs. 1,98,002 was collected towards excise duty on these liquors consumed in the State. The rate of excise duty continued to be Rs. 35 per proof gallon during the year.

Toddy. (Fermented Liquors).

271. The revenue derived from toddy amounted to Rs. 74,79,436 (Rs. 69,78,964)

272. No trees were permitted to be tapped free of tree tax for domestic consumption during the year.

Malt Liquors.

273. The number of licenses issued exclusively for sale of country beer was 10 (10).

Beer

274. The consumption of beer amounted to 6,50,919 (5,98,308) gallons during the year. The United Breweries Ltd., and the Venus Brewery in Bangalore and Chamundy Brewery in Mysore continued to manufacture beer.

275. The revenue derived from malt liquors amounted to Rs. 13,30,181 (Rs. 9,22,038).

Foreign Liquors.

276. The consumption of Foreign Liquors during the year was as follows :—

Kind	*Year* 1955-56 GLS.	*Year* 1956-57 GLS.
1. Spirits ...	14,382-20 ...	15,344-46
2. Wines ...	1,631-32 ...	2,390- 9
3. Malt Liquors ...	36,180-50 ...	39,709-46

277. The revenue realised under licence and gallonage fee was Rs. 5,86,213 (Rs. 4,50,084).

Hemp Drugs.

278. There was no cultivation of ganja during the year. At the beginning of the year there was a stock of 16,347 seers of issuable ganja.

279. The rate of Duty per seer of 80 tolas charged to the licensees continued to be Rs. 65 during the year.

280. The limit of private possession continued to be two tolas as in the previous year.

281. The consumption of ganja during the year was 7,904 (7,009) seers. The revenue derived amounted to Rs. 10,69,051 (Rs. 9,42,789).

Opium

282. The issue price of opium from the Treasuries to the several licensees in the State continued to be Rs. 175 per seer of 80 tolas as in the previous year.

283. The limit of private possession of opium continued to be one tola as in the previous year.

284. The consumption of opium during the year was 331 seers and 19 tolas (372-70). The revenue derived from opium was Rs. 2,52,463 (Rs. 2,25,584).

285. No fresh licenses were issued for possession and use of opium for veterinary and quasi-veterinary purposes. No licenses were issued to Chemists and Druggists for the sale of opium preparations

286. The number of licenses issued under the Dangerous Drugs Rules was 66(72). Dangerous Drugs.

287. A quantity of 171 lbs. 6 ozs. 351·16 grains of dangerous drugs was imported into the State from other States during the year.

288. The total number of offences reported during the year under Excise and Opium Acts was 1,269 (1,514). Of these, 304 (224) cases relates to heinous offences, 102 (117) to the cutting and removal of date trees and leaves, 62 to death of date trees due to careless or overtapping and the remaining 801 (1,092) cases to the breaches of licence conditions. Offences.

289. Other offences were as follows:—

1.	Offences relating to illicit distillation and other kindered offences.	273 (189)
2.	Toddy offences ...	10 (18)
3.	Hemp drugs and opium offences	151 (203)

290. Including the amount of Rs. 12,49,519-85 being the arrears outstanding at the beginning of the year, the total demand of the Excise Revenue amounted to Rs. 2,03,63,615-19 (Rs. 1,93,29,236-28). Of this amount, a sum of Rs. 1,87,57,178-56 (Rs. 1,73,64,201-86) towards the current demand and Rs. 3,71,325-80 (Rs. 7,17,493-57) towards the old arrears were collected, thus leaving a balance of Rs. 12,34,710-82 (Rs. 12,49,519-85) at the close of the year. Demand, Collection and Balance.

291. The incidence of taxation per head of population was Rs. 4-9 computed in respect of population of the wet districts of the State. Incidence of Taxation.

292. Three hundred and eighty-one persons were convicted for drunkenness in wet Districts of Bangalore, Mysore, Mandya and Hassan. Conviction for Drunkenness.

Integrated Areas.

(From 1st November 1956 to end of March 1957).

293. *Coorg District.*—Prohibition was in force in the Coorg District during the year.

294. The Revenue realised under "VIII State Excise Duties" during the period from 1st November 1956 to end of March 1957 amounted to Rs. 20,371-94.

295. Liquors and drugs were supplied to permit holders only.

296. *South Kanara.*—Prohibition was in force in the District during the year.

297. The Excise Revenue realised under "VIII State Excise Duties" during the period from 1st November 1956 to end of March 1957 amounted to Rs. 9,128-35.

Country Spirits.

298. *Hyderabad Area.*—Supplies of liquor of 30° U.P. were made to all the districts of Raichur, Bidar and Gulbarga from the Government Distillery at Narayanaguda.

299. Rates of supply of liquor of 30° U.P. in the several districts were as follows:—

	Rs. per gallon.
Gulbarga District	... 18-11
Raichur District	... 17-93
Bidar District	... 19-0

300. The consumption of liquor of 30° U.P. was 32,776 gallons. The issues of liquor to shops were restricted to the quota fixed for each shop. The revenue derived from liquors of 30° U.P. was Rs. 6,73,428. The revenue from toddy amounted to Rs. 22,40,397.

301. Consumption under foreign liquor was as follows:—

Spirits ...	... 263 gallons
Wines ...	... 5 ,,
Malt Liquors	... 1,211 ,,

302. There was no cultivation of ganja during the year. The rate of duty per seer of ganja continued to be Rs. 82 per seer of 80 tolas. The limit of private possession continued to be three tolas.

303. The consumption of ganja during the period was 217 seers. The revenue derived amounted to Rs. 1,08,216.

304. The issue price of opium was Rs. 175 per seer of 80 tolas. The limit of private possession of opium was two tolas.

305. The consumption of opium during the year was 48 seers. The revenue derived from opium was Rs. 41,316.

306. The total number of offences reported under the Excise and Opium Acts during the period was 960.

307. *Bombay Karnatak Area.*—Total Prohibition was in force in all the four districts, *viz.*, Bijapur, Belgaum, Dharwar and Karwar. All country liquor, toddy and other excise shops were closed and only foreign liquor, hemp drugs and opium were supplied to the permit holders through the Government managed depots.

308. The Neera Scheme was encouraged under the management of the Village Industries Board, Northern Karnatak Region, Hubli and the Co-operative Societies. The Social and Economic benefits of Prohibition were apparent in the case of agriculturists and poorer classes.

309. The Bombay Prohibition Act, 1949, even after integration was continued to be in force during the year.

310. Since there was total Prohibition in all the four districts, the sale, purchase, possession, consumption and use of toddy and country liquor were prohibited throughout the districts.

311. The system of issuing hemp drugs and opium from the Government Depots to Vaidyas holding licenses and addicts holding permits on medical certificates was continued during the year.

312. There was no cultivation of hemp drugs in any of the four districts. Manufacture of opium was also not allowed in any of the four districts.

313. Neera has become a popular drink benevolent to health to the addicts in place of intoxicants. One hundred and fiftynine licenses were issued during the year for tapping, sale of neera and for manufacturing of gur in all the four districts. Neera.

314. The expenditure of the Excise Department during the year including the expenditure incurred in the integrated areas of Hyderabad Karnatak and Ex-Bombay State during the last five months of the year amounted to Rs. 8,54,653-97 (Rs. 5,37,902-6).